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NETFLIX, INC.

6  
7 UNITED STATES DISTRICT COURT  
8 NORTHERN DISTRICT OF CALIFORNIA  
9

10 NETFLIX, INC., a Delaware corporation,

11 Plaintiff,

12 v.

13 BLOCKBUSTER, INC., a Delaware  
corporation, DOES 1-50,

14 Defendant.  
15

Case No. C 06 2361 WHA

**DECLARATION OF CHARLOTTE  
FALLA IN SUPPORT OF NETFLIX'S  
MOTION FOR PROTECTIVE ORDER**

Date: December 8, 2006

Time: 9:30 a.m.

Judge: Hon. Joseph C. Spero

Room: Courtroom A, 15<sup>th</sup> Floor

16 AND RELATED COUNTERCLAIMS.  
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1 I, CHARLOTTE FALLA, declare and state as follows:

2 1. I am an attorney duly licensed to practice before this Court, and associate general  
3 counsel of Plaintiff and Counterclaim-Defendant Netflix, Inc. ("Netflix"). I have personal  
4 knowledge of the facts set forth below, and if called to testify as a witness thereto could do so  
5 competently under oath.

6 2. I understand that Defendant and Counterclaim-Plaintiff Blockbuster, Inc.  
7 ("Blockbuster") has recently served a number of subpoenas upon companies that do business  
8 with Netflix, including NBC Universal, Yahoo, Sony Pictures, Paramount Pictures, Walt Disney,  
9 Microsoft, Best Buy, Warner Brothers, Fox Entertainment and AOL.

10 3. Netflix's contracts with its business partners include terms requiring that information  
11 shared pursuant to the contracts be treated as confidential. Blockbuster's broad subpoenas to  
12 Netflix's business partners, which seek broad categories of documents relating to Netflix's  
13 financial information and business plans, are certain to encompass documents that are entitled to  
14 confidential treatment under those agreements.

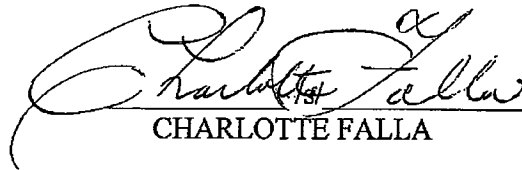
15 4. Blockbuster's broad subpoenas also literally request information that may be in the  
16 possession of those business partners which is in no way relevant to the issues in this case. Such  
17 documents include those that relate to Netflix's future plans for delivery of content, data about  
18 Netflix's sales of used DVDs, information about revenue sharing agreements between the studios  
19 and Netflix, discussions of the effectiveness of promotional campaigns, and prototyping of  
20 features that may appear on the Netflix website in the future.

21 5. To go into further detail about the types of sensitive documents that Blockbuster's  
22 request may encompass would itself work a harm on Netflix by discussing the nature of the  
23 business ventures in which Netflix intends to engage with its direct competitor, Blockbuster.

24 6. In addition to being irrelevant, the categories of documents sought by way of these  
25 non-party subpoenas are vastly overbroad, and it would work a large burden upon Netflix's  
26 business partners if they were forced to comply with the broad literal terms of these subpoenas.  
27 That too would be detrimental to Netflix's business.

28 I declare under penalty of perjury under the laws of the State of California that the

1 foregoing is true and correct. Executed on this 21st day of September, 2006, in Los Gatos,  
2 California.

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6 CHARLOTTE FALLA